

The complaint

Mr T complains that Monzo Bank Ltd won't refund money he lost to a scam.

Mr T is represented by C. For ease, I've referred to comments made by C as though they were made by Mr T directly.

What happened

The details of this complaint are well known to both parties, so I won't repeat it all again here.

Mr T said the following payments were made as a result of an employment related scam.

Payment	Date	Type of transaction	Amount
1	26 July 2023	Debit card payment	£0.10
2	26 July 2023	Debit card payment	£40.72
3	27 July 2023	Debit card payment	£10
4	27 July 2023	Debit card payment	£30
5	27 July 2023	Debit card payment	£32.50
6	28 July 2023	Debit card payment	£40.94
7	30 July 2023	Debit card payment	£246.73
8	30 July 2023	Debit card payment	£1,128.70
9	30 July 2023	Debit card payment	£4,127.86
10	30 July 2023	Debit card payment	£3,604.65
11	30 July 2023	Debit card payment	£720.93
12	31 July 2023	Debit card payment	£2,719.78
13	31 July 2023	Debit card payment	£0.10
14	31 July 2023	Debit card payment	£0.10
15	31 July 2023	Debit card payment	£0.10
16	31 July 2023	Debit card payment	£0.10
17	31 July 2023	Debit card payment	£7,185.63
	3 August 2023	Credit	£0.10
18	3 August 2023	Debit card payment	£0.10
19	4 August 2023	Debit card payment	£0.10
	8 August 2023	Credit	£0.10

	8 August 2023	Credit	£0.10
	8 August 2023	Credit	£0.10
	8 August 2023	Credit	£0.10
	11 August 2023	Credit	£0.10
	12 August 2023	Credit	£0.10

In summary, Mr T said he was sent a message by someone who claimed to be a recruiter offering a job opportunity. The scammer said the job was for a cinema chain and the job task required Mr T to complete reviews on movies to promote them and increase their exposure. Mr T said he was told he would receive commission for completing a number of tasks per day. He was told to make payments to top up his work account when it would appear to have a negative balance.

Mr T said he realised he had been scammed after he was repeatedly told he needed to deposit more money in order to withdraw his funds. Mr T complained to Monzo but it didn't respond therefore he referred his complaint to this service.

Our investigator didn't think the complaint should be upheld. Even though she thought Monzo should have intervened in the payments, our investigator thought it was unlikely that any questioning by Monzo would have uncovered the scam. This is because our investigator found Mr T was coached on what to say if the bank were to question him.

Mr T didn't accept our investigators view. He says that had Monzo asked open probing questions it would have uncovered the scam. He says he wasn't under the spell of the scammer, and he didn't receive extensive coaching from them.

As an agreement couldn't be reached, the complaint has been passed to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've reached the same outcome as our investigator and for similar reasons.

In broad terms, the starting position in law is that a bank is expected to process payments and withdrawals that a customer authorises it to make. There is no dispute here that Mr T authorised the payments. And in accordance with the Payment Services Regulations and the terms and conditions of the account, Mr T is responsible for the loss.

However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Monzo should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud. So, I've thought about whether Monzo acted fairly and reasonably here.

I think its important to highlight that there are many payments made by customers each day, and its not reasonable to expect a financial business to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers, and not unnecessarily disrupting legitimate payment instructions.

I accept that Monzo ought to have been aware that the payments were identifiably made

towards cryptocurrency. While cryptocurrency related payments can be considered high risk, not all payments are fraudulent. And I don't find payments 1 to 8 to have been sufficiently unusual or uncharacteristic of Mr T's typical account usage to cause concern. Nor were they of a value that ought reasonably to have been concerning enough for Monzo to have intervened.

However, I think it ought to have intervened when Mr T made payment 8. Considering the value of the payment and that it was to a cryptocurrency provider, I think Monzo ought to have provided a warning tailored to the scam risk it identified. In this case, I think a warning highlighting the risk of a cryptocurrency investment scam would have been appropriate. The warning should highlight key features of this type of scam. However, I'm not persuaded a warning of this nature would have resonated with Mr T as he was not making an investment.

By the time Mr T made payment 9, it was the fourth successful payment on the same day to a cryptocurrency platform, the payments were made in quick succession and the values of the payments had increased compared to earlier payments which is in line with known fraud patterns. Therefore, I think it ought to have been concerned that Mr T might be at risk of financial harm. I think Monzo ought reasonably to have stopped the payment and directed Mr T to its in-app chat to discuss the payment with a member of staff.

Monzo has not shown it intervened or provided warnings for any payments Mr T made. While I think it ought to have done more here, I must also consider whether intervention as set out above would have been effective such that it might have uncovered the scam. And I am not persuaded it would.

I say this because I've reviewed Mr T's conversations with the scammer, and I find Mr T was already invested and he was anxious to obtain his funds back as well as the money he thought he had earned. It's clear Mr T had come to trust the scammer as he followed their guidance to ensure the payments would be authorised.

I note Mr T attempted to make several payments which were declined as they took him over his daily withdrawal limit. He contacted Monzo to have the limit increased and was asked about the purpose of the payment. Mr T informed the scammer and was guided on how to answer if the bank asked about the payment, which Mr T agreed to do. Following this conversation, Mr T told Monzo the payments were for an investment as per the scammer's instructions. As such I find Mr T was under the scammers spell.

Had Monzo intervened as I think it ought to have, I think it is likely that Mr T would have taken guidance from the scammer in much the same way. Ultimately, it is for this reason that I'm not persuaded that had Monzo questioned him, it would have uncovered the scam and been able to prevent Mr T's losses.

I've also thought about whether Monzo could have done more to try to recover the money Mr T lost. Considering the payments were made for the purpose of purchasing cryptocurrency and made to a legitimate merchant, I'm not persuaded there were any real prospects of recovering the funds.

I have carefully considered all that has happened here. I understand that Mr T has been the victim of a cruel scam, I sympathise with him, but I must put aside my feelings and consider the complaint impartially. And while I appreciate Mr T lost out here, I can't fairly or reasonably hold Monzo responsible for the money he lost.

My final decision

For the reasons I've outlined above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 22 May 2025.

Oluwatobi Balogun
Ombudsman